

Notice to Readers

Massachusetts 2005-2009 Consolidated Plan

Background

The Consolidated Plan is a combination planning document and performance report. It is required of all jurisdictions that receive federal housing and community development funding from the U.S. Department of Housing and Urban Development (HUD). The Massachusetts Plan identifies the state's housing and community development needs and priorities, and establishes the criteria by which the state's Department of Housing and Community Development (DHCD) will select projects for funding. It has several components, including: a market analysis, a housing and community development needs assessment, a strategic plan, and an annual action plan. The Plan serves as the state's application to HUD for funding under the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA) programs, and – new this year – the American Dream Downpayment Initiative (ADDI). Massachusetts expects to receive approximately \$8 million per year over the next five years for these programs, beginning with the federal fiscal year that started on 10/01/04.

Relationship to Other Planning Documents

The State¹ is also required to submit several other planning and performance documents to HUD on a regular basis, as are many of its municipalities, housing agencies, and other groups of housing-related service providers. DHCD makes every effort to ensure that all its plans present a clear and consistent description of the Commonwealth's overall housing and community development policies, objectives and priorities. Three important planning documents that are linked to this Consolidated Plan are the Massachusetts Public Housing Agency (PHA) Plan, the Low Income Housing Tax Credit Qualified Allocation Plan (QAP) and the Balance of State Continuum of Care. Each of these documents controls the allocation of specific federal resources that are critically important to the Commonwealth's success in achieving its goal of providing broad economic opportunity and a high quality of life for all Massachusetts residents.² Another complementary document is the State's Analysis of Impediments to Fair Housing, which is being developed separately, addressing the issues of fair access to housing raised in the Consolidated Plan.

Defining Low Income

Most programs that use public money are intended to benefit low income households. Many target assistance to those with very low and extremely low incomes. The definition of what constitutes each of these categories has changed over time, however, and sometimes varies by program, leading to confusion about who is eligible to participate. For most HUD programs, and all of the programs covered by the Consolidated Plan, eligibility is determined by a household's

¹ The terms State and Commonwealth are used interchangeably throughout this document.

² The QAP controls the allocation of federal Low Income Housing Tax Credits which generate equity for low, and mixed, income rental housing. The PHA controls public housing and Section 8 tenant-based rental assistance, including Mainstream Housing for People with Disabilities. The C of C (21 of which are submitted by Massachusetts agencies covering different parts of the state) controls many of the federal resources targeted to homeless populations under the McKinney-Vento Homeless Assistance Act.

income relative to the median income of a family of four in the area where they live (called HAMFI, for HUD Area Median Family Income, or often just AMI, for area median income). Adjustments are made for family size. A household is considered *extremely low income* if its income does not exceed 30 percent of the area median for families of similar size, *very low income* if it earns more than 30 percent but not more than 50 percent, and *low income* if it earns more than 50 percent but not more than 80 percent.

Annually, HUD publishes the median family income, and income limits for various programs, for 11 Massachusetts metropolitan areas³ and 8 non-metropolitan counties. The full listing can be found at www.huduser.org, but by way of example, **Table 1** illustrates the income guidelines for the state's highest and lowest income areas. The Boston metropolitan area, with a median income for a family of four of \$82,600, is the highest in the state, so housing programs there have the highest income limits. The comparable median income in the New Bedford metropolitan area is \$55,000, so income eligibility limits there are correspondingly lower. (Note that while incomes in the Boston area are 50 percent greater than they are in the New Bedford area, rent levels in the Boston area are more than 75 percent greater.)

A Different Look

This Consolidated Plan represents departure from previous plans in two important ways: presentation and performance measurement. Incorporating recommendations that were established in HUD's Consolidated Plan Improvement Initiative, the 2005-2009 Plan has been reformatted to make it easier to read and use. Sections have been consolidated and redundancies eliminated. Documents that cover the same material are incorporated by reference and electronic links. More important, the focus of the Plan itself has shifted from reporting *activities* to measuring *outcomes*. With the goal of providing a more useful tool for assessing the success of the Commonwealth's housing and community development activities, the numerous action steps included in prior plans have been replaced by fewer key metrics that measure outcomes. It is DHCD's hope and expectation that these changes will result in a grants administration process that is more transparent and targeted.

Citizen Participation Process

The Consolidated Planning process is a collaborative one. DHCD, the administering agency for the Commonwealth of Massachusetts, encourages broad citizen and stakeholder participation, especially from those low income residents most affected by its programs. Prior to developing the Consolidated Plan, and the more detailed Fiscal Year 2005 Action Plan, DHCD held a series of five focus groups across the state and established a website to solicit citizen input regarding housing and community development needs in their communities. Among other topics, the focus group participants were asked to identify key priorities; discuss if, and how, their needs had shifted since the last Consolidated Plan was prepared; what progress had been made over the past five years; which strategies succeeded and which fell short; what the current gaps in services are; and what types of non-financial resource requirements they have. Both the five-year strategic plan and the one-year action plan were issued in draft form for a 30-day public comment period beginning on February 25, 2005 and closing at 5 P.M. on March 25, 2005.

³ These geographies may change in coming years to reflect new metro area boundaries adopted by the federal Office of Management and Budget based on the 2000 Census.

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Two public hearings, scheduled for March 14, 2005 at the West Springfield Town Hall and March 15, 2005 at DHCD in Boston, provided additional opportunity for the public to comment on these documents, copies of which are available electronically at DHCD's website, <http://www.mass.gov/dhcd>. Copies may also be obtained during normal business hours at (617) 573-1100. DHCD welcomes the public's comments and encourages citizens to attend the hearing and provide formal verbal testimony. Alternatively, written comments may be submitted to:

DHCD
100 Cambridge Street, Suite 300
Boston, MA 02114
Attention: Office of Policy Development

The final application will be submitted to HUD on April, 1 2005. A complete description of Massachusetts' Citizen Participation Process appears in **Appendix A**.

Table 1

Boston PMSA - 2004 Income Limits								
Income Limit	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Person
30% of median	\$17,350	\$19,850	\$22,350	\$24,800	\$26,800	\$28,800	\$30,750	\$32,750
50% of median	\$28,950	\$33,100	\$37,200	\$41,350	\$44,650	\$47,950	\$51,250	\$54,600
60% of median	\$34,740	\$39,720	\$44,640	\$49,620	\$53,580	\$57,540	\$61,500	\$65,520
80% of median	\$46,300	\$52,950	\$59,550	\$66,150	\$71,450	\$76,750	\$82,050	\$87,350
100% of median	\$57,800	\$66,100	\$74,350	\$82,600	\$89,200	\$95,800	\$102,400	\$109,050
120% of median	\$69,400	\$79,300	\$89,200	\$99,100	\$107,050	\$115,000	\$122,900	\$130,850

New Bedford MSA - 2004 Income Limits								
Income Limit	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Person
30% of median	\$12,950	\$14,800	\$16,650	\$18,500	\$20,000	\$21,450	\$22,950	\$24,450
50% of median	\$21,600	\$24,700	\$27,750	\$30,850	\$33,300	\$35,800	\$38,250	\$40,700
60% of median	\$25,920	\$29,640	\$33,300	\$37,020	\$39,960	\$42,960	\$45,900	\$48,840
80% of median	\$34,550	\$39,500	\$44,400	\$49,350	\$53,300	\$57,250	\$61,200	\$65,150
100% of median	\$38,500	\$44,000	\$49,500	\$55,000	\$59,400	\$63,800	\$68,200	\$72,600
120% of median	\$46,200	\$52,800	\$59,400	\$66,000	\$71,280	\$76,560	\$81,840	\$87,120